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HOUSE BILL 1810

State of Washington 57th Legislature 2001 Regular Session

By Representatives Lambert, Mulliken, Sump, Lisk, Van Luven, Schindler, Woods, Talcott, Esser, Casada and Pearson

Read first time 02/05/2001. Referred to Committee on State Government.

- 1 AN ACT Relating to legislative oversight of agency rules; and
- 2 amending RCW 34.05.570, 34.05.610, 34.05.630, and 34.05.640.
- 3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 4 **Sec. 1.** RCW 34.05.570 and 1995 c 403 s 802 are each amended to 5 read as follows:
- 6 (1) Generally. Except to the extent that this chapter or another 7 statute provides otherwise:
- 8 (a) The burden of demonstrating the invalidity of agency action 9 is on the party asserting invalidity;
- 10 (b) The validity of agency action shall be determined in 11 accordance with the standards of review provided in this section, 12 as applied to the agency action at the time it was taken;
- 13 (c) The court shall make a separate and distinct ruling on each 14 material issue on which the court's decision is based; and
- 15 (d) The court shall grant relief only if it determines that a 16 person seeking judicial relief has been substantially prejudiced 17 by the action complained of.
- 18 (2) Review of rules. (a) A rule may be reviewed by petition for

p. 1 HB 1810

- declaratory judgment filed pursuant to this subsection or in the context of any other review proceeding under this section. In an action challenging the validity of a rule, the agency shall be made a party to the proceeding.
- 5 (b) The validity of any rule may be determined upon petition for a declaratory judgment addressed to the superior court of 6 7 Thurston county, when it appears that the rule, or its threatened 8 application, interferes with or impairs or immediately threatens 9 to interfere with or impair the legal rights or privileges of the 10 petitioner. The declaratory judgment order may be entered whether or not the petitioner has first requested the agency to pass upon 11 the validity of the rule in question. 12
- (c) In a proceeding involving review of a rule, the court shall declare the rule invalid only if it finds that: The rule violates constitutional provisions; the rule exceeds the statutory authority of the agency; the rule was adopted without compliance with statutory rule-making procedures; or the rule is arbitrary and capricious.
- 19 (d) If the rules review committee has made an adverse finding
 20 under RCW 34.05.640(2) (a) or (b) on the rule in question, the
 21 agency has the burden of demonstrating the validity of the rule,
 22 notwithstanding subsection (1)(a) of this section.
- 23 (3) Review of agency orders in adjudicative proceedings. The 24 court shall grant relief from an agency order in an adjudicative 25 proceeding only if it determines that:
- 26 (a) The order, or the statute or rule on which the order is 27 based, is in violation of constitutional provisions on its face or 28 as applied;
 - (b) The order is outside the statutory authority or jurisdiction of the agency conferred by any provision of law;
- 31 (c) The agency has engaged in unlawful procedure or decision-32 making process, or has failed to follow a prescribed procedure;
 - (d) The agency has erroneously interpreted or applied the law;
- (e) The order is not supported by evidence that is substantial when viewed in light of the whole record before the court, which includes the agency record for judicial review, supplemented by any additional evidence received by the court under this chapter;

HB 1810 p. 2

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- 1 (f) The agency has not decided all issues requiring resolution 2 by the agency;
- 3 (g) A motion for disqualification under RCW 34.05.425 or
- 4 34.12.050 was made and was improperly denied or, if no motion was
- 5 made, facts are shown to support the grant of such a motion that
- 6 were not known and were not reasonably discoverable by the
- 7 challenging party at the appropriate time for making such a
- 8 motion;
- 9 (h) The order is inconsistent with a rule of the agency unless
- 10 the agency explains the inconsistency by stating facts and reasons
- 11 to demonstrate a rational basis for inconsistency; or
- 12 (i) The order is arbitrary or capricious.
- 13 (4) Review of other agency action.
- 14 (a) All agency action not reviewable under subsection (2) or
- 15 (3) of this section shall be reviewed under this subsection.
- 16 (b) A person whose rights are violated by an agency's failure
- 17 to perform a duty that is required by law to be performed may file
- 18 a petition for review pursuant to RCW 34.05.514, seeking an order
- 19 pursuant to this subsection requiring performance. Within twenty
- 20 days after service of the petition for review, the agency shall
- 21 file and serve an answer to the petition, made in the same manner
- 22 as an answer to a complaint in a civil action. The court may hear
- 23 evidence, pursuant to RCW 34.05.562, on material issues of fact
- 24 raised by the petition and answer.
- 25 (c) Relief for persons aggrieved by the performance of an
- 26 agency action, including the exercise of discretion, or an action
- 27 under (b) of this subsection can be granted only if the court
- 28 determines that the action is:
- 29 (i) Unconstitutional;
- 30 (ii) Outside the statutory authority of the agency or the
- 31 authority conferred by a provision of law;
- 32 (iii) Arbitrary or capricious; or
- 33 (iv) Taken by persons who were not properly constituted as
- 34 agency officials lawfully entitled to take such action.
- 35 **Sec. 2.** RCW 34.05.610 and 1998 c 280 s 9 are each amended to read
- 36 as follows:
- 37 (1) There is hereby created a joint administrative rules review

p. 3 HB 1810

- 1 committee which shall be a bipartisan committee consisting of the
- 2 <u>lieutenant governor</u>, four senators, and four representatives from
- 3 the state legislature. <u>The lieutenant governor shall serve as a</u>
- 4 nonvoting committee member unless there is a tie vote among the
- 5 members voting on an issue, in which case the lieutenant governor
- 6 <u>may vote to break the tie.</u> The senate members of the committee
- 7 shall be appointed by the president of the senate, and the house
- 8 members of the committee shall be appointed by the speaker of the
- 9 house. Not more than two members from each house may be from the
- 10 same political party. The appointing authorities shall also appoint
- 11 one alternate member from each caucus of each house. All
- 12 appointments to the committee are subject to approval by the
- 13 caucuses to which the appointed members belong.
- 14 (2) Members and alternates shall be appointed as soon as
- 15 possible after the legislature convenes in regular session in an
- 16 odd-numbered year, and their terms shall extend until their
- 17 successors are appointed and qualified at the next regular session
- 18 of the legislature in an odd-numbered year or until such persons
- 19 no longer serve in the legislature, whichever occurs first.
- 20 Members and alternates may be reappointed to the committee.
- 21 (3) On or about January 1, 1999, the president of the senate
- 22 shall appoint the chairperson and the vice chairperson from among
- 23 the committee membership. The speaker of the house shall appoint
- 24 the chairperson and the vice chairperson in alternating even-
- 25 numbered years beginning in the year 2000 from among the committee
- 26 membership. The secretary of the senate shall appoint the
- 27 chairperson and the vice chairperson in the alternating even-
- 28 numbered years beginning in the year 2002 from among the committee
- 29 membership. Such appointments shall be made in January of each even-
- 30 numbered year as soon as possible after a legislative session
- 31 convenes.
- 32 (4) The chairperson of the committee shall cause all meeting
- 33 notices and committee documents to be sent to the members and
- 34 alternates. A vacancy shall be filled by appointment of a
- 35 legislator from the same political party as the original
- 36 appointment. The appropriate appointing authority shall make the
- 37 appointment within thirty days of the vacancy occurring.

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- Sec. 3. RCW 34.05.630 and 1998 c 21 s 1 are each amended to read as follows:
- 3 (1) All rules required to be filed pursuant to RCW 34.05.380, 4 and emergency rules adopted pursuant to RCW 34.05.350, are subject 5 to selective review by the committee.
- 6 (2) All agency policy and interpretive statements, guidelines,
 7 and documents that are of general applicability, or their
 8 equivalents, are subject to selective review by the committee to
 9 determine whether or not a statement, guideline, or document that
 10 is of general applicability, or its equivalent, is being used as a
 11 rule that has not been adopted in accordance with all applicable
 12 provisions of law.
- (3) If the rules review committee finds by a majority vote of 13 14 its members: (a) That an existing rule is not within the intent of 15 the legislature as expressed by the statute which the rule 16 implements, (b) that the rule has not been adopted in accordance with all applicable provisions of law, or (c) that an agency is 17 using a policy or interpretive statement in place of a rule, the 18 19 agency affected shall be notified of such finding and the reasons therefor. Within thirty days of the receipt of the rules review 20 committee's notice, the agency shall file notice of a hearing on 21 the rules review committee's finding with the code reviser and 22 mail notice to all persons who have made timely request of the 23 24 agency for advance notice of its rule-making proceedings as 25 provided in RCW 34.05.320. The agency's notice shall include the 26 rules review committee's findings and reasons therefor, and shall 27 be published in the Washington state register in accordance with the provisions of chapter 34.08 RCW. 28
- 29 (4) The agency shall conduct the hearing within ninety days of 30 receiving the rules review committee's finding. The agency shall consider fully all written and oral submissions regarding (a) 31 whether the rule in question is within the intent of the 32 legislature as expressed by the statute which the rule implements, 33 34 (b) whether the rule was adopted in accordance with all applicable 35 provisions of law, and (c) whether the agency is using a policy or interpretive statement, guideline, or document that is of general 36 37 applicability, or its equivalent, in place of a rule.

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- 1 **Sec. 4.** RCW 34.05.640 and 1998 c 21 s 2 are each amended to read 2 as follows:
- 3 (1) Within seven days of an agency hearing held after
- 4 notification of the agency by the rules review committee pursuant
- 5 to RCW 34.05.620 or 34.05.630, the affected agency shall notify
- 6 the committee of its intended action on a proposed or existing
- 7 rule to which the committee objected or on a committee finding of
- 8 the agency's failure to adopt rules.
- 9 (2) If the rules review committee finds by a majority vote of
- 10 its members: (a) That the proposed or existing rule in question
- 11 will not be modified, amended, withdrawn, or repealed by the
- 12 agency so as to conform with the intent of the legislature, (b)
- 13 that an existing rule was not adopted in accordance with all
- 14 applicable provisions of law, or (c) that the agency will not
- 15 replace the policy or interpretive statement, guideline, or
- 16 document that is of general applicability, or its equivalent, with
- 17 a rule, the rules review committee may, within ((thirty)) one
- 18 hundred twenty days from notification by the agency of its
- 19 intended action, file with the code reviser notice of its
- 20 objections together with a concise statement of the reasons
- 21 therefor. Such notice and statement shall also be provided to the
- 22 agency by the rules review committee.
- 23 (3)(a) If the rules review committee makes an adverse finding
- 24 regarding an existing rule under subsection (2)(a) or (b) of this
- 25 section, the committee may, by a majority vote of its members,
- 26 recommend suspension of the rule. Within seven days of such vote
- 27 the committee shall transmit to the appropriate standing
- 28 committees of the legislature, the governor, the code reviser, and
- 29 the agency written notice of its objection and recommended
- 30 suspension and the concise reasons therefor. Within thirty days of
- 31 receipt of the notice, the governor shall transmit to the
- 32 committee, the code reviser, and the agency written approval or
- 33 disapproval of the recommended suspension. If the suspension is
- 34 approved by the governor, it is effective from the date of that
- 35 approval and continues until ninety days after the expiration of
- 36 the next regular legislative session.
- 37 (b) If the rules review committee makes an adverse finding
- 38 regarding a policy or interpretive statement, guideline, or

HB 1810 p. 6

under subsection (2)(c) of this section, the committee may, by a 2 majority vote of its members, advise the governor of its finding. 3 4 (4) The code reviser shall publish transmittals from the rules review committee or the governor issued pursuant to subsection (2) 5 6 or (3) of this section in the Washington state register and shall 7 publish in the next supplement and compilation of the Washington 8 Administrative Code a reference to the committee's objection or 9 recommended suspension and the governor's action on it and to the 10 issue of the Washington state register in which the full text thereof appears. 11

document that is of general applicability, or its equivalent,

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12 (5) The reference shall be removed from a rule published in the
13 Washington Administrative Code if a subsequent adjudicatory
14 proceeding determines that the rule is within the intent of the
15 legislature or was adopted in accordance with all applicable laws,
16 whichever was the objection of the rules review committee.

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p. 7 HB 1810